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MFF 2028–2034: Designing EU External Action in the Global Disorder*

- The Multiannual Financial Framework 2028-2034 proposed by the European Commission envisages, with regard to the EU's external action, a significant increase in funding and the consolidation of several existing programmes into a single instrument – the Global Europe Instrument.
- If approved by the Council and the European Parliament, the legislative initiative would result in greater flexibility and responsiveness to the evolving geopolitical landscape. At the same time, however, it would entail the risk of reduced certainty and predictability concerning the investments that will be implemented.
- In the model outlined by the Commission, a stronger linkage than today with the EU's internal agenda is foreseen, together with a reinforcement of the Team Europe approach and greater openness to the role of private actors – an element that, as already highlighted by several stakeholders, will require the introduction of specific safeguards.

The proposal for the 2028-2034 Multiannual Financial Framework (MFF) sets out the European Commission's vision for the evolution of the EU's external action, building a comprehensive framework based on one main pillar – the Global Europe Instrument (GEI). It is an ambitious initiative that takes into account a fragmented international context in which economic security assumes great relevance and aims at strengthening the coordination between national and European agendas.

Although its approval in this shape is far from guaranteed, this initiative is emblematic of what appears to be a significant shift in perspective within the European institutions regarding the European Union's external action.

The Commission's ambitions

The EU's external action is addressed under the third heading of the proposed MFF put forward by the Commission. Of the 1,980 billion euros overall envisaged for the future multiannual budget, around 10 per cent (215 billion) would be allocated to this heading; a considerable increase compared to the amount made available for the 2021-2027 period.[1]

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1 According to the European Commission's assessment, the amount allocated to external action

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According to the Impact Assessment accompanying the proposal for the Regulation on Global Europe, the instruments currently available to the EU in this field have proven largely effective.[2] However, even in light of a drastic change in the geopolitical context, three main shortcomings have emerged: 1) insufficient adaptability at the implementation level, 2) excessive fragmentation of funds across different programmes and 3) limited interaction between internal and external financing instruments – closely linked to insufficient coherence between the Union's internal and external policies. To address these shortcomings, the Commission sets out three corresponding objectives: i) to strike a new balance between investment certainty and flexibility, ii) to simplify the overall architecture of financing instruments and iii) to strengthen coherence between the EU's internal and external strategic objectives. In this perspective, the Commission's MFF proposal contains several innovative elements.

›› The cornerstone of the future external projection would be the Global Europe Instrument

First and foremost, the cornerstone of the future external projection would be the GEI. By aggregating several programmes currently included in the MFF (thereby reducing spending fragmentation), this instrument would be allocated 200,309 billion euros – almost the entirety of the funds assigned to this heading (c.a. 93 per cent). Under this framework, there would be an indicative geographical allocation, which could evolve over time in light of future developments in the international scenario not currently foreseen. The initial distribution of funds proposed by the Commission is the following one: Sub-Saharan Africa – 59,728 billion euros; Europe – 42,576 billion; Middle East, North Africa and the Gulf – 42,502 billion; Asia and the Pacific – 16,701 billion; Americas and the Caribbean – 9 billion.

An additional 14,998 billion euros would be allocated to "Global Affairs", along with the creation of an ex-ante unallocated reserve (14,808 billion euros) to be distributed according to future needs. The GEI would also be used to provide financial assistance to Ukraine, up to 100 billion euros; however, these funds would be disbursed above the ceilings indicated above. Within this set of resources, 25 billion would be earmarked for humanitarian assistance. The proposal stipulates that at least 90 per cent of allocated funds must meet Official Development Assistance (ODA) criteria; notably, this percentage – lower than the current one (93 per cent) – could be revised by the Commission through the adoption of delegated acts.[3] Moreover, again in the interest of flexibility, the Commission no longer provides for a minimum pre-allocation of resources to specific thematic priorities (as is the case in the current MFF).

The Commission's intention to create greater coherence between the internal and external agenda is clearly reflected in several components of the proposed

is expected to increase by roughly 1,7 times; indeed, in the 2021-2027 budget, the NDICI-GEI received 79,5 billion euros, while around 120 billion were channelled towards overall EU external action (also considering the Reform and Growth Facility for the Western Balkans). See European Commission, *A Dynamic EU Budget for the Priorities of the Future. The Multiannual Financial Framework 2028-2034* (COM/2025/570), 16 July 2025, p. 14-15, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52025DC0570.

2 European Commission, *Impact Assessment Report Accompanying the Document Proposal for a Regulation establishing Global Europe* (SWD/2025/552), 16 July 2025, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52025SC0552.

3 See Article 6(5) of European Commission, *Proposal for a Regulation Establishing Global Europe* (COM/2025/551), 16 July 2025, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52025PC0551.

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Regulation. Article 4, which outlines the objectives of the GEI, explicitly states in paragraph 1(c) that the GEI must contribute "simultaneously to the sustainable development of partner countries and to the strategic interests of the Union";[4] likewise, recital 12 underscores the importance of strengthening the nexus between European competitiveness and EU external policies, advocating for the establishment of "comprehensive mutually beneficial packages with partner countries".[5] Two elements in particular are symptomatic of the pursuit of this objective. The first concerns the possibility of suspending funding (excluding humanitarian assistance) to third countries that do not cooperate on readmission of their own migrants.[6] The second relates to the controversial possibility of awarding grants "to entities governed by private law from a member state without a call for proposals where the relevant project is in the strategic interest of the Union and supports the objectives of the Instrument".[7]

In its proposal, the Commission also addresses the relationship between actions conducted at EU level and those implemented at national level. In this respect, particular importance is attached to the intention to consolidate the Team Europe approach, seeking ever closer integration between action carried out by national actors – such as public development banks (PDBs) and development finance institutions (DFIs) – and that undertaken by EU institutions. For the first time, export credit agencies (ECAs) of the various member states could also be involved in this framework.

Open issues: How to effectively manage increased flexibility?

While the emphasis on greater flexibility has been widely welcomed, concerns have emerged about the potential reduction of investment predictability in specific areas. Some actors operating in the field of development cooperation have expressed worries that efforts in certain domains – such as climate change mitigation and gender equality – may be reduced and that the share of funds meeting ODA criteria could decline over the seven-year period.[8] Similarly, critical remarks have been made regarding what is perceived as an excessive concentration of powers in the Commission's hands, which could adopt significant measures without involving the European Parliament and the Council.[9] The possibility of conditioning the disbursement of funds on compliance with return agreements with third countries has also generated

4 Ibid., Article 4(1.c).

5 Ibid., Recital 12. Some public development banks and development finance institutions have expressed interest in this point, claiming that they could play an important role, given their expertise and the networks on the ground in which they are already involved.

6 This is provided for in Article 12(3) of the proposed Regulation.

7 Recital 70 of the proposed Regulation provides examples in the areas of critical raw materials, digital infrastructure and investments needed to strengthen climate change resilience.

8 These concerns have, for example, been expressed by the European Confederation of NGOs working on sustainable development and international cooperation. See CONCORD, *Analysis of the European Commission's Proposal for the EU's Next Multiannual Financial Framework and the Global Europe Instrument*, 5 December 2025, https://concordeurope.org/?p=35449.

9 Even the two European Parliament co-rapporteurs on the MFF fear a possible encroachment by the Commission at the expense of the Parliament. See European Parliament Committee on Budgets, *Draft Interim Report on the Proposal for the Council Regulation Laying Down the Multiannual Financial Framework for the Years 2028 to 2034* (2025/0571R(APP)), 27 November 2025, p. 5, https://www.europarl.europa.eu/doceo/document/BUDG-PR-779351_EN.pdf.

Some concerns relate to the involvement of the private sector within Global Europe

some negative reactions from civil society.

Further concerns – also raised by the European Court of Auditors and shared by PDBs and DFIs – relate to the involvement of the private sector within Global Europe.[10] First, it has been argued that awarding grants to private entities without competitive procedures could undermine principles such as transparency and competition. Second, the possibility of entrusting the management of budgetary guarantees to private actors – which do not have a public mission and are not pillar-assessed[11] – could indeed speed up the allocation of funds, but could also lead to an expansion of the exposure of the EU budget to counterparts that may not meet the required performance standards.

Such concerns, according to those who express criticism, require the adoption of safeguards aimed at limiting the risks described above.[12]

The intention to strengthen the Team Europe approach is welcome, given its positive impact in terms of coherence and level of ambition of the various initiatives implemented by European players.[13] With the aim of creating new synergies between the EU agenda and national foreign policies, it will be particularly important to consolidate communication channels between EU institutions and national operators. In this regard, the *modus operandi* of the Global Europe Investment Board – mentioned in Article 25 of the proposed Regulation and tasked with providing "strategic and operational guidance" to the Commission – will be central. According to the Commission's proposal, actors such as PDBs and DFIs may be involved in this Board only "where appropriate" and with observer status. An active and stable involvement of such players would be desirable in order to translate into practice the announced strengthening of integration between European and national action; in this sense, therefore, the concept of "where appropriate" should be interpreted broadly, and consideration should also be given to the possibility of involving at least one institution representing PDBs (e.g. through the Presidency of the Joint European Financiers for International Cooperation – JEFIC)[14] as a permanent member. Regarding the participation of ECAs within the GEI, some observers have expressed reservations.[15] These worries relate to what is seen as the limited orientation of ECAs toward development cooperation; an inclination which, according to critics, could divert funds from policies

10 European Court of Auditors (ECA), *Opinion 07/2026 Concerning the Proposal for a Regulation of the European Parliament and of the Council Establishing Global Europe*, 20 February 2026, https://www.eca.europa.eu/en/publications/OP-2026-07.

11 Article 25(3) of the proposed Regulation states that entities governed by private law should "provide adequate assurance of their financial capacity".

12 In this regard, for example, ECA states that the EU legislator should consider the introduction of a cap on the grants that could be awarded to private entities without a competitive procedure; likewise, ECA claims that "entrusting the management of guarantees to private entities should be used in exceptional cases only, for instance where European development finance institutions or member states' development banks cannot operate on the ground". See ECA, *Opinion 07/2026*, cit., p. 24 and 29.

13 The consolidation of the Team Europe approach is the focus of the entire Article 11 of the proposed Regulation.

14 See the official website: https://jefic.org.

15 In the document published by CONCORD, it is stated that: "Export credit agencies do not have a development mandate and their introduction in GEI signals a more commercial approach to development finance and a push towards 'following the market'. Their inclusion in GEI is problematic for development additionality, environmental and human rights due diligence". See CONCORD, *Analysis of the European Commission's Proposal for the EU's Next Multiannual Financial Framework and the Global Europe Instrument*, cit., p. 8.

aimed at fostering growth in low-and-middle-income countries. Nevertheless, it is difficult to imagine that EU institutions, in seeking to strengthen the link between public and private action, would decide to entirely exclude from the GEI actors such as ECAs, which play a key role in supporting European companies in foreign markets. In this regard, it will be crucial to avoid their encroachment in domains that fall outside their "traditional" scope (and are covered by other players pursuing a public mission, like DFIs and PDBs).

Finally, a more structured reflection on EU enlargement is needed. The allocation of funds to neighbouring countries must go hand in hand with the definition of a clear agenda regarding the Union's opening to new member states. In the absence of such an agenda, there is a serious risk that the distribution of MFF funds will fail to adequately support those countries that could realistically become part of the European project in the future.

›› The European Parliament and the Council of the EU have raised various issues regarding the European Commission's legislative initiative

The European Parliament and the Council of the European Union have raised various issues regarding the European Commission's legislative initiative. Overall, it can be stated that – unsurprisingly – both institutions have claimed for themselves greater powers than those envisaged in the proposal put forward by the EU executive.[16]

In adopting its negotiating position, the Parliament proposed a further increase in the resources allocated to Global Europe.[17] At the same time, it expressed scepticism about the aggregation of existing programmes into a single instrument – fearing a reduction in its ability to scrutinise expenditure – and criticised the lowering of funds disbursed according to ODA criteria, adding that any further modification of the percentage should not be carried out through delegated acts of the Commission. It also argued that the reallocation of funds across the different pillars cannot take place without its approval and "insisted" that the European Investment Bank (EIB) be recognised "as the Union's primary strategic financial partner within the Global Europe architecture".

The Council, on its side, adopted a partial common position that does not take into account "financial and horizontal issues".[18] Unlike the Parliament, government representatives did not criticise the aggregation of funds under GEI. At the same time, they confirmed the possibility of withholding funds from third countries that do not cooperate with the EU on migration matters, while providing for a more articulated procedure involving the Council itself. According to the agreement reached among the ministers of the member states, the Council should also play a central role in the European pillar, with specific reference to the EU's enlargement to new states.[19] In line with the

16 EIB has likewise expressed itself along these lines, requesting that "an envelope in the next Multiannual Financial Framework [...] be dedicated to the EIB because of its unique work, with an ex ante allocation, consolidation of instruments, and preservation of exclusivity with respect to sovereign lending". See *EIB Global Strategic Orientation*, 15 October 2025, p. vi, https://doi.org/10.2867/1945607.

17 The European Parliament adopted its negotiating position on the 2028-2034 MFF on 28 April 2026. See European Parliament, *Interim Report on the Proposal for the Multiannual Financial Framework for 2028-2034* (P10_TA(2026)0111), 28 April 2026, https://www.europarl.europa.eu/doceo/document/TA-10-2026-0111_EN.html.

18 This partial agreement was reached by EU ministers on 16 June 2026. See Council of the EU, *MFF 2028-2034: Council Agrees Partial Mandate on Global Europe*, 16 June 2026, https://www.consilium.europa.eu/en/press/press-releases/2026/06/16/mff-2028-2034-council-agrees-partial-mandate-on-global-europe.

19 Indeed, as written in the revised article 31(1) of the proposed Regulation, in relation to "Enlargement and Neighbourhood East partners [...], the Council shall adopt, on a proposal

Parliament's position, the Council opposes allowing the Commission to modify funds disbursed according to ODA criteria through its delegated acts. Of particular interest, is what is envisaged regarding the involvement of private actors in the management of budgetary guarantees and the awarding of grants without competitive procedures. Indeed, the Council shares the Commission's intention to introduce elements capable of making Global Europe dynamic, but proposes the introduction of safeguards similar to those requested in recent months by various observers. In this regard, national government representatives call for the addition of the phrase "where necessary and duly justified" in the provisions concerning the involvement of private entities "where financial instruments or the budgetary guarantee are implemented in indirect management".[20] Likewise, with respect to the awarding of grants to private entities in the absence of a call for proposals, they request that this occurs only on an exceptional basis and that the Commission share with member states the criteria underpinning the decisions taken.[21]

Policy recommendations

The external action agenda proposed by the European Commission for 2028-2034 takes into account past implementation challenges and seeks to address the criticalities stemming from an international scenario radically different from that of just a few years ago. Concentrating funds under the GEI would avoid excessive fragmentation across spending programmes and strengthen coherence between the EU's internal and external agendas. Likewise, increased flexibility in the allocation of funds would enhance the European Union's ability to respond effectively to evolving global dynamics – though inevitably at the cost of reduced certainty for certain investments.

Nonetheless, the proposal would benefit from additional safeguards to improve institutional dialogue and the effectiveness in disbursing EU funding. In this regard:

- The Commission should ensure greater involvement of the Council and the European Parliament in decisions of significant relevance. For example, any modification of the share of funds meeting ODA criteria should occur only with the approval of the EU legislator.
- The possibility of entrusting budgetary guarantees to not pillar-assessed actors should be excluded wherever possible. Similarly, the awarding of grants to private entities without competitive procedures should be an exceptional solution subject to spending ceilings, in order to preserve

from the Commission, an implementing act establishing uniform framework conditions for implementing this Regulation, in relation to the design, content, submission, assessment and the approval of the assessment of the performance-based plans, performance, the preconditions for and the rules on payments, the structures and control systems to be set up in preparation of accession, also in the context of the management of structural, agricultural and cross-border cooperation funds. The Council, acting by qualified majority, may amend the Commission's proposal and adopt the amended proposal by means of an implementing act". See European Commission, *Proposal for a Regulation of the European Parliament and of the Council Establishing Global Europe - Partial General Approach* (2025/0227(COD)), 11 June 2026, https://data.consilium.europa.eu/doc/document/ST-10442-2026-INIT/en/pdf.

20 Article 25(3) of the Global Europe Regulation proposal revised by the Council of the EU.

21 Ibid., Article 23(4.a).

the principles of competition, transparency and equal treatment.

- The Global Europe Investment Board should become a forum for continuous and structured dialogue between EU and national actors. In order to consolidate the Team Europe approach, a stable involvement of entities such as PDBs and DFIs – central players in member states' external action – would be desirable.
- The involvement of ECAs must be calibrated on the basis of their specific core-business, avoiding overlaps with the actions implemented by other players (like PDBs and DFIs).
- The programming of funds for the European area should proceed in parallel, and consistently, with the definition of a clear agenda on the future enlargement of the Union, so as to channel an adequate level of funding to those countries that could realistically join the EU in the future.

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